



State of Utah

Department of Environmental Quality

Richard W. Sprott
Executive Director

DIVISION OF DRINKING WATER
Kenneth H. Bousfield, P.E.
Director

Drinking Water Board
Anne Erickson, Ed.D., *Chair*
Myron Bateman, *Vice-Chair*
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
Richard W. Sprott
David K. Stevens, Ph.D.
Ron Thompson
Kenneth H. Bousfield, P.E.
Executive Secretary

JON M. HUNTSMAN, JR.
Governor

GARY HERBERT
Lieutenant Governor

MINUTES OF THE DRINKING WATER BOARD MEETING HELD ON NOVEMBER 16, 2007 IN SALT LAKE CITY, UTAH

Board Members Present

Anne Erickson, Chair
Myron Bateman, Vice Chair
Ken Bassett
Daniel Fleming
Jay Franson, P.E.
Helen Graber, Ph.D.
Paul Hansen, P.E.
Petra Rust
David Stevens, Ph.D.
Ron Thompson

Board Members Excused

Richard Sprott

Staff

Kate Johnson
Linda Matulich

Guests

Glen Mann, Hach
Falk Hegewald, Erda Acres Water
Lane Pierce, Sunrise Engineering
Gary Ureck, Woods Cross City
Lee Cammack, Woods Cross City/JUB
Scott Anderson, Woods Cross City
Jonathan Ward, Woods Cross City
Chris Jackson, Self
Kevin Brown, Sunrise Engineering
Doug Nielsen, Sunrise Engineering

Staff Continued

Ken Bousfield
Ken Wilde
Julie Cobleigh
Karin Tatum
Rich Peterson

ITEM 1 – CALL TO ORDER

The Drinking Water Board convened in Salt Lake City, Utah with Chairman Erickson presiding. The meeting was called to order at 1:00 p.m.

ITEM 2 – ROLL CALL

Chairman Erickson asked Ken Bousfield to call roll of the Board members. The roll call showed there were 10 members present.

ITEM 3 – INTRODUCTIONS

Chairman Erickson welcomed everyone and asked the guests to introduce themselves.

ITEM 4 – APPROVAL OF MINUTES

Chairman Erickson stated a motion was in order to approve the October 12, 2007 minutes.

Petra Rust moved to approve the October 12, 2007 minutes.

Daniel Fleming seconded.

**CARRIED
(Unanimous)**

ITEM 5 – SRF/CONSERVATION COMMITTEE REPORT

1) Status Report – Ken Wilde

Ken Wilde reported the Board has a fund balance of minus \$1,081,983 in the State Loan Funds, and a fund balance of \$18,986 in the State Hardship Grant Funds. The total in the State Loan and the State Hardship Grant Funds do not include the projected cash payments from borrowers or loan funds that have not been disbursed as of September 30, 2007. The balance shows a negative balance in the fund of \$1,062,997.

Ken mentioned with the project repayments that will be received from October 1, 2007 through September 30, 2008 will give the Board a balance of \$6,581,948 for funding of projects through September 30, 2008.

Ken mentioned as of September 30, 2007 the Board has a balance of \$1,503,093 in the Federal SRF funds and will have projected funding in the amount of \$1,503,093 to authorize through September 30, 2008.

Ken reviewed the projects that have been authorized, but have not been funded yet from the State and Federal programs.

2) Federal SRF Applications

a) Erda Acres Water Company – Karin Tatum

Karin Tatum reported that the Erda Acres Water Company is requesting a Construction loan in the amount of \$1,210,000 at 2.0% repayable over 20 years and a grant for \$1,210,000 to construct a new storage tank, upgrade the transmission line, upgrade and put in new distribution lines, rehabilitation of two wells, and a chlorination facility.

Discussion followed.

Falk Hegewald and Kevin Brown, representing Erda Acres Water Company, addressed the Board.

Paul Hansen requested that Erda Acres Water Company update their Master Plan.

Paul Hansen moved the Board authorize the SRF Committees recommendation and grant a \$2,120,000 construction loan at 0% interest repayable over 30 years with \$500,000 principle forgiveness to Erda Acres Water Company, with the condition that Erda Acres increase their impact fees appropriately, repay 60% of the impact fees collected that exceed the amount of the fees estimated in the Growth Projection spreadsheet, and allow a modified repayment schedule as shown in the packet. Era Acres Water Company will also adhere to the other special conditions outlined in the packet.

The special conditions read as follows:

- 1. Address the appropriate issues on their Compliance Report.**
- 2. The Parameters Resolution will need to reflect the Impact/Connection Fees totaling \$5,000 per connection.**
- 3. Erda Acres Water Company does not currently have enough water rights to provide water to all of the projected users over the life of this loan. It is recommended that the “water company require new developers to furnish a minimum of 1.5 acre feet of water per connection as stated in the Culinary Water Master Plan. The Master Plan uses 400 gpd for indoor water use and 1/3 acre for outdoor watering. The water rights required per connection may be adjusted for smaller lots.**
- 4. The calculations are based on a conservative growth rate of 3.5%, which is 50% of the engineer’s estimate (7%). If Erda Acres Water Company sees additional growth, the annual payments will be increased. A proposed impact/connection fee of \$5,000 is recommended with the connection fee portion being approximately \$3,000. It is also proposed that 60% of the collected impact fees that exceed the estimate in the Growth Projection Spreadsheet will be repaid to the Board as early repayment in case growth exceeds the proposed 3.5 % rate. This will be included in the terms of the bond documents.**

Petra Rust seconded the motion.

**CARRIED
(Unanimous)**

b) Woods Cross City – Michael Grange

Michael Grange reported that Woods Cross City is requesting \$5,000,000 in financial assistance to construct a 3.17 million gallon concrete culinary water storage reservoir, drill a new well and install approximately 5,000 feet of new distribution line. The new storage reservoir will replace the older tanks. The new well will replace the two wells that were taken out-of-service due to a contaminated aquifer. The new distribution line will provide service to areas of the city where projected growth is expected over the next 5 years.

Discussion followed.

Gary Ureck, Lee Cammack, Scott Anderson, and Jonathan Ward, representatives for Woods Cross City were available for any questions from the Board.

Daniel Fleming moved the Board authorize a \$5,000,000 construction loan at 3.49% interest for 20 years to Woods Cross City for the construction of a new 3.17 million gallon concrete culinary water storage reservoir, drilling a new well and installing approximately 5,000 feet of new distribution line.

Paul Hansen seconded.

**CARRIED
(Unanimous)**

ITEM 6 – ACCESS TO SOURCE PROTECTION ZONES

Kate Johnson reviewed the source protection program on what is being done and what has been accomplished. There is a lot of concern on who should have access to the projection zones if they are entered in the computer or reviewing the files. This program has a lot of sensitive areas to cover on reviewing any of the material that can be found, what material should be listed, and what material should be protected, if the material is listed on the computer.

Discussion followed.

ITEM 7 – APPROVAL OF THE 2008 MEETING SCHEDULE

Ken Bousfield reported the 2008 Board Meeting schedule was reviewed at the last Board meeting. There is one change. The combined Board meeting with the Water Quality Board on November 15, 2008 will be moved to November 21, 2008.

Ken Bousfield recommended the Board approve the 2008 Board Meeting Schedule and the 2008 SRF/Conservation Committee Meeting Schedule.

Jay Franson moved the Board approve the 2008 Board Meeting Schedule and the 2008 SRF/Conservation Committee Meeting Schedule.

Ken Bassett seconded.

**CARRIED
(Unanimous)**

ITEM 8 – CHAIRMAN'S REPORT

Chairman Erickson asked each Board member to give some background information on themselves to acquaint Dr. Stevens with each Board member.

ITEM 9 – DIRECTORS REPORT

a) Rural Water Association of Utah's 2008 Annual Conference

Ken Bousfield updated the Board on the 2008 Rural Water Association's Annual Conference. Linda will be getting with the Board members on the hotel arrangements and the registration for the conference.

b) Utah Water Users 2008 Workshops

Ken Bousfield updated the Board on the 2008 Utah Water Users Workshops. Linda will be getting with the Board members on the hotel arrangements and the registration for the conference.

ITEM 10 – NEWS ARTICLES

The news articles are in the packet.

ITEM 11 – LETTERS

The letters are in the packet.

ITEM 12 – NEXT BOARD MEETING

The next Board meeting will be held on January 11, 2008 at 168 North 1950 West, Room 101, Salt Lake City, Utah. There will be a morning work session. Lunch will be provided. The Drinking Water Board meeting will start at 1:00 p.m.

ITEM 13 – OTHER

Helen Graber asked about the 2008 Agreement with the Rural Water Association of Utah and what is happening on the agreement.

Chairman Erickson updated the Board on the agreement.

ITEM 14 – ADJOURN

Chairman Erickson stated a motion to adjourn the Board meeting was in order.

Petra Rust moved to adjourn the Drinking Water Board meeting at 2:30 p.m.

Myron Bateman seconded.

**CARRIED
(Unanimous)**

Linda Matulich
Recording Secretary